Ranikhet and Parmarthniketan at Rishikesh. Such facilities have also been proposed at Kausani and Uttarkashi in the current financial year.

Controlling prices of sugar

*71. SHRI MOOLCHAND MEENA:
DR. T. SUBBARAMI REDDY

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Government have introduced some changes in the commodity release mechanism from May 1, 2004 with regard to sugar pricing policy;

(b) whether the price of sugar which was being sold at Rs. 1115 per qunital, has risen by over Rs. 200 to Rs. 1321 per qunital in the past eight days;

(c) if so, what were other steps taken by Government to check the rise in prices of sugar; and

(d) the effect of the steps taken to control the prices of sugar?

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR): (a) to (d) For the month of May, 2004, the Government had announced non-levy sugar quota of 16 lakh M.Ts which was more by 2.00 lakh M.Ts as compared to the quota released for April, 2004. The Government also stipulated that 50% of the allotted quota to each mill should be delivered/dispatched in each fortnight.

The ex-factory price of non-levy sugar in major States ranged between Rs. 1465-1645 per qunital in the first fortnight and between Rs. 1430-1645 per qunital in the second fortnight of May, 2004.

Checking the steel prices

*72. SHRI RAJKUMAR DHOOT:
SHRIMATI N.P. DURGA:

Will the Minister of STEEL be pleased to state:

(a) the plans Government have to achieve the set targeted capacity of 60 million tonnes by 2007 from the current level of 35 million tonnes.

(b) whether it is a fact that steel companies have hiked prices of steel by Rs. 1600/- per tonne in January, 2004;

(c) if so, the reasons therefor;

(d) whether it is also a fact that the steel compaines have taken the cover of increase in the global prices of steel; and

(e) if so, the steps taken by Government to check the prices and protect the interest of domestic consumers?

THE MINISTER OF STEEL (SHRI RAM VILAS PASWAN): (a) In a liberalised environment the Government acts as a facilitator and operational decisions related to capacity expansion are taken at the plant level, depending on market conditions. However, the Government has projected 65 million tonnes of annual consumption to be met principally through domestic production by 2012.

(b) Data collected from the open market (Mumbai market average) during December, 2003 and January, 2004 shows a general increase in domestic prices varying between Rs. 200/- per tonne to Rs. 2600/- per tonne depending on the category and grade of steel products.

(c) and (d) The domestic prices have generally moved in tandem with the international price. The price rise in January, 2004 is reported to be the result of rising raw material costs during this period and growing demand. In a competitive market steel producers adjust their prices depending on market conditions.

(e) In a liberalised environment the government does not intervene directly in the market to influence prices. However, the Government, through its policy initiatives, has taken several steps to ensure availability of steel and stabilise the price in the domestic market which *inter-alia* include the following:—

(i) reduction in customs duty on non alloy steel from 25% to 10%

(ii) abolition of 4% Special Additional Duty (SAD) on imports

(iii) lowering of excise duty on steel items from 16% to 12%

(iv) suspension of DEPB benefits upon exports of steel products

(v) substantial increase in the allocation of steel items, during 2004-05, for supply to the SSI units under the small Scale Industries Corporations (SSIC) scheme.